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SUBJECT: Information Requested For Secretary's Initiative On Global
Internet Freedom (GIFT)

REF: STATE 142147

11. The GOK generally recognizes the role of information Communication and Technology (ICT) in national development and the need for a national policy that promotes and facilitates private sector investment for the benefit of all Kenyans. The Kenya Communications Act (KCA) 1998 and the GOK's subsequent policy guidelines have liberalized the ICT market, promoted private sector investment, and call for expansion of communication services to all parts of the country. The ICT sector has grown quickly following liberalization, but Kenya is still working to develop a policy and strategy to spread access to ICT and postal services to rural areas. USAID has funded projects with ICT components or focus in the education, health, natural resource management, and e-government.

ICT Liberalization Expands Internet Penetration

12. Until recently, the state monopoly Kenya Posts and Telecommunications Corporation's (KP&TC) inhibited development of the ICT sector through poor service and high prices. The GOK began the liberalization process in 1998 with the KCA and Postal Corporation Acts, which split the KP&TC into three separate entities on July 1 1999: Telkom Kenya (TKL), the Postal Corporation of Kenya (PCK), and the Communication Commission of Kenya (CCK). In December 2001, the government issued Policy Guidelines outlining the overall government's objective for the ICT sector as being, "To optimize its contribution to the development of the Kenyan economy as a whole by ensuring the availability of efficient, reliable and affordable communication services throughout the country."

13. In September 2004, the CCK issued a new licensing framework "To ensure that the regulatory environment is friendly to investment and conducive to the provision of modern communication services." Most critically, the framework allowed the licensing of additional Internet backbone and gateway operators, broadcasting signal distributors, and commercial VSAT operators, and allowed them to carry any form of multimedia traffic, for example, VoIP.

14. The ICT private sector has grown rapidly since deregulation. See table 1. As service quality rose and prices fell, more companies and individuals signed up and invested in ICT, to the point where it now plays a significant role in Kenyan society and economy. The private sector ICT workforce has doubled or tripled since 2004. If the East African under sea fiber-optic cable project (EASSy) or an alternate cable are implemented along an open access model, and the GOK ensures competition for carriers from the landing point in Mombasa, connectivity prices would drop and Kenya's services sector could blossom with call centers and other providers taking advantage of the educated, English-speaking workforce.

Still Limited ICT Access For Most Kenyans

15. In Kenya, the penetration of communication services is still skewed towards urban areas, especially provincial capitals. There is thus need to expand availability of basic communication services of acceptable quality and at affordable prices to rural people. According to a November 2004 study, people traveled on average more than 22 kilometers to reach the nearest Internet provider, with some traveling 141 kilometers. Most people accessed the internet via cyber cafes (65%), followed by friends (16%), work place (14%) and post office (6%). In 2006, the Ministry of Communications estimated 1.5 million Kenyans use the internet.

Table 1

	2002	2003	2004	2005
Vendors and contractors (No. employed)	783	813	888	912
Technical personnel (No. employed)	108	139	182	215
Cyber cafes/telephone bureau	--	51	70	90
Internet service providers	72	76	78	72
Commercial VSAT Hub operators	1	2	2	6
Internet backbone and gateway Operators	1	1	1	6
Local loop operators	--	2	4	13

USAID IT Projects

16. USAID Projects in Kenya with ITC components or focus are as follows.

Natural Resource Management

Project Name: none

Overview: USAID is supporting the Kenya Wildlife Service to improve its management.

Recipient: Kenya Wildlife Service

IT-related support:

- (1) Implement a "Smartcard" system to strengthen revenue collection and management of revenues
- (2) Develop an integrated management information system
- (3) Establish an asset register system

Funding:

FY 2006: \$35,000;
FY 2007: \$435,000;
FY 2008: \$150,000

Education

1A. Project Name: ICT in education options paper

Overview: Research and preparation of a report on how to integrate ICT in education for the government of Kenya.

Recipient: Ministry of Education & Ministry of Science and Technology

IT Component: USAID fully funded a team of American and Kenyan contract consultants that developed an ICT in education options paper. Project completed.

FY 05 Funding: U.S. \$176,000.00

1B. Project Name: Mindset Kenya Project

Overview: Project proposal to support the integration of ICT in education by digitizing education curricula content in the 22 Primary Schools Teacher Training Colleges.

Recipient: Ministry of Education & Ministry of Science and Technology

IT Component: Supply of computers and the peripherals devices, computer based multi media, DVD Players, DVDs, TVs. Installation of Local Area Networks and rehabilitation of computer laboratories.

FY 06 Funding: U.S. \$250,000.00
Funding from Mindset South Africa \$600,000

1C. Project Name: none

Overview: USAID is supporting the training of primary school teachers across Kenya.

Recipient: Ministry of Education

IT-related support:

- (1) Locally developed education content translated into computer-based multi-media platforms
- (2) Development of a teacher training program that integrates ICT as a mode of training and a method of classroom instruction

Funding:

FY 2006: \$250,000

Five-year projected funding: \$1,000,000

Health

1A. Project Name: none

Overview: USAID is building assisting the Kenya Ministry of Health (MOH), Division of Reproductive Health, to establish a resource center to manage research.

Recipient: Ministry of Health

IT-related support: Provision of computers and technical assistance to create a web site that will allow MOH staff and medical students to access health information

Funding: FY 2005 \$50,000

1B. Project Name: none

Overview: USAID is assisting the Kenya Ministry of Planning, National Coordinating Agency for Population and Development (NCAPD) to disseminate population and development data.

Recipient: Ministry of Planning

IT-related support: Provision of computers and technical assistance to create a web site that will allow NCAPD staff to access and disseminate Kenyan data via the internet

Funding: FY 2005: \$50,000

1C. Project Name: Wide Area Information Sharing System for REDSO/ESA/PHN Partners in Kenya, Tanzania and Uganda.

Overview: To promote increased sharing of regional analytical information among USAID/EA's regional health partners.

Recipient: PHN Partners Center for African family Studies (CAFS) in Kenya, Regional Center for the Quality of Health Care (RCQHC) in Uganda, and Commonwealth Regional Health Community for Eastern and Southern Africa (CRHCS) in Tanzania.

IT Component: Provision of upgraded bandwidth, access to information resources, health information databases, software and ICT services, development of web enabled applications and tools.

FY 02/03 Funding: U.S. \$100,000.00

Agriculture

1A. Project Name: none

Overview: USAID is working to improve productivity in the dairy

sector and consumption of dairy products.

Recipient: Land o Lakes, ABS TCM Ltd, World Wide Sires, ILRI

IT-related support:

- 1) Feed formulation software packages for improved production
- 2) Automation of farmers' cooperatives to improve efficiency
- 3) A market information system
- 4) A "Dairy Toolbox" that is a single virtual location with downloadable information and resource for smallholder dairy farmers

Funding:

FY 2005: \$150,000

FY 2006: \$250,000

B. Project Name: none

Overview: The USAID-supported Kenya Horticulture Development Program is working to increase the production and trade of non-traditional horticulture products.

Recipient: Fintrac Inc

IT-related support:

- (1) KHDP website established to disseminate information
- (2) use of CIRIS monitoring and evaluation software to track field activity

Funding:

FY 2005: \$30,000

FY 2006: \$40,000

C. Project Name: none

Overview: USAID is working to increase the production of maize (corn) and develop new markets.

Recipient: ACDI/VOCA

IT-related support:

- (1) Provision of a computer-based inventory system that links silo and financial systems
- (2) Provision of accounting, database and costing software
- (3) Use of SMS as a way to relay market information
- (4) Market information website
- (5) An interactive voice response system through which farmers are able to get information on commodity prices
- (6) Radio to disseminate best practices to farmers

Funding:

FY 2005: \$50,000

FY 2006: \$60,000

E-Government and Anticorruption

A. Project Name: Last Mile Initiative Kenya program

Overview: Aimed at enabling rural communities to use ICT to access government and development services, including education, socio-economic, agriculture, and civic education.

Recipient: e-government secretariat to the Cabinet

IT Component: Set up a tele-center equipped with networked computers and internet connection.

FY 06 Funding: U.S. \$100,000.00(USAID/Kenya)

B. Project Name: Regional Anticorruption

Overview: Support Direct Trader Input (DTI) centers in the region

Recipient: Clearing and Forwarding associations in Kenya, Tanzania, Uganda and Rwanda.

IT Component: Provision of computers and non-computer ICT equipment to enable clearing and forwarding agents to enter clearing information through the DTIs that are located away from the Ports and customs offices. This reduces Clearing Agents/Government

officials' human interface that has been identified as a major source of corruption.

FY 05 Funding: U.S. \$200,000.00

Conflict Management

1A. Project Name: Conflict Prevention Mitigation and Response (CPMR)

Overview: Effective Management of Conflicts in the Horn of Africa.

Recipient: Five non-state CPMR actors.

IT Component: Provision of computer and non-computer ICT equipment, Internet connection and Website developments to enable the CPMR actors to collect, process and disseminate conflict information in the Horn of Africa. Also two Community Learning and Information Centers (CLICs) and nine sub-regional offices for one of the partners have been supported under this activity. The CLICs and the facilities in the sub-region offices provide unique ICT access opportunities for marginalized communities in the region.

FY 02 Funding: U.S \$250,000.00

FY 03 Funding: U.S \$168,664.00

FY 04 Funding: U.S. \$ 34,000.00

FY 06 Funding: U.S. \$ 89,000.00

Total funding: U.S \$541,000.00

1B. Project Name: Conflict Management in the Somalia, Kenya, Ethiopia, Uganda and Sudan cross-border zones.

Overview: Effective Management of conflicts in these cross-border zones.

Recipient: Various CPMR actors and stakeholders operating in the cross-border zones.

IT Component: Provision of Integrated Information and communications Technologies Networks (IICTN) to support CPMR activities through networks and partnerships in the two clusters.

FY 06 Funding: U.S. \$ 40,000.00

FY 07 Funding: U.S. \$350,000.00 (proposed)

Trade and Economic Development

Project Name: East and Central Africa Trade Hub

Project Description: Ratification of the World Trade Organization Information and Communication (WTO/IT) Agreement. The IT agreement desires to achieve maximum freedom of trade in IT products and to encourage continued technological development of the IT industry on the worldwide basis.

Recipient: Kenya, Uganda and Tanzania

I.T. Component: The ECA/Hub is helping the EA countries to ratify the WTO/IT agreement by providing technical support and, ICT equipment and other facilities.

Recipient: Kenya, Uganda and Tanzania

FY 05 & 06 Funding: approximately US\$60,000

Regional Projects

1A. Project Name: Data Exchange Platform for the Horn of Africa - DEPHA

Recipient: UN Agencies working in Humanitarian response issues;

ICT component: Provide updated, timely, accurate and ground truthed

data to humanitarian actors working within the Horn region; and act as a data clearing house to any contentious sectors. Assist decision makers by producing various sector and activity specific Geographic Information Systems (GIS) products.

FY06 funding: USD\$250,000 (approved).

B. Project Name: Conflict Early Warning early response mechanism.

Overview: Improving Conflict Early Warning and Early Response Mechanisms in the region.

Recipient: Inter-governmental Authority on Development (IGAD)'s Center for Conflict Early warning and Early Response Network (CEWARN) and National CEWARN Coordinating Offices.

IT Component: Provision of computers, Internet access and Website development to support IGAD's Conflict Early Warning and Early Response mechanisms in IGAD member states.

FY 00 - FY 06 Funding: over \$300,000

C. Project Name: Harmonization of Telecommunications Regulatory Framework Project.

Overview: USAID/EA supports COMESA to harmonize ICT policies, guidelines and procedures as well as improve regulatory institutions in its region in order to create an integrated market that would attract investment to the ICT sector, facilitate trade and other aspects of development, and promote access to ICT by the rural communities.

Recipient: Common Markets for East and Southern Africa (COMESA)

I.T. Component: Provide funds to enable COMESA and its member countries to develop model ICT regulation and policies, form an Association of Regulators of Information and Communication in Eastern Africa (ARICEA) to facilitate adoptions of the model regulations and policies by the COMESA member states.

FY 99 to date Funding: US\$ 1500,000

D. Project Name: Regional Agricultural Trade Intelligence Network (RATIN)

Overview: RATIN (www.ratin.net), supplies grain traders with online trading information, ranging from early warning information to market prices and regional trade analysis on maize, beans and rice.

Recipient: Regional Agricultural Trade Expansion Support (RATES) Program (Implemented by Chemonics Limited)

I.T. Component:

FY 05 & 06 Funding: over US\$2M.

E. Project Name: The African Regional Commodity Link -TradeAfrica.biz and CottonAfrica.biz

Project Description: Trade Africa (www.tradeafrica.biz) website promotes maize and beans trade in Africa. The website www.cottonafrica.biz promotes the African textile and cotton industry by providing an online trading board.

Recipient: Regional Agricultural Trade Expansion Support (RATES) Program (Implemented by Chemonics Limited)

I.T. Component: provision of computers and website development and, establishment of a call center that takes advantage of available communication technology to email, SMS, world space, cellular phone, facsimile, land-line trade opportunities to regionally based traders.

FY 05 Funding:

FY 06 Funding:

F. Project Name: Information Technology Institutional Strengthening

Overview: To support COMESA secretariat to enhance communication within and with the member states and other stakeholders.

Recipient: Common Markets for East and Southern Africa (COMESA)

I.T. Component: Implementation of Value-Added Services such as Vide-conferencing and VOiP, e-applications and necessary e-legislations

FY 05 to date Funding: US\$400,000

G. Project Name: IGAD Climate Application and Prediction Center
ICPAC

Overview: Provide Weather and Early Warning forecasting in weather and climatological outlook for the Horn of Africa region on a 3 months basis to actors in the region;

Recipient: Inter-Governmental Authority on Development (IGAD)

ICT component: Involves use of the land Earth and Geostationary Satellite based observation systems and other Hydro-meteorological tools to gather and disseminate data in a user-friendly format including maps, and statistical charts.

FY 05 funding:

RANNEBERGER